Page Denied

Next 1 Page(s) In Document Denied

fice of Current Production and Analytic Support
A Operations Center

ws Bulletin

T31713   Wed Oct 19 20:32:32 1988   Page 1

AP I rw
0896
-Security Clearances

Wed Oct 19 19:10:04 1988

WASHINGTON (AP) Despite a spate of spying that has severely
damaged U.S. intelligence, the government still grants many security
clearances without checking applicants' financial or employment
backgrounds, according to a congressional report released Wednesday.
     Numerous recommendations to make employment and credit checks
routine parts of the security clearance process appear to have been
ignored, the House Intelligence Committee concluded, adding: ''The
committee finds this failure to act inexcusable.''
     The panel's report found a pattern of bureaucratic sluggishness
throughout the intelligence community in addressing security problems
and it criticized a preoccupation with hardware and gadgetry that
ignores fundamental personnel problems.
     It also found that little has been done to control the proliferation
of classified information and concluded that top CIA personnel were the
sources of many revelations in Washington Post reporter Bob Woodward's
book ''Veil'' about covert operations by the CIA.
     The government's basic security review, known as the National Agency
Check, involves reviewing FBI fingerprint files and dossiers at other
federal agencies. It does not include credit and employment checks, and
costs just $10 to complete.
     ''We ... spend thousands for physical security measures in some
programs (to protect) secret material, but for the people part of it,
we are only willing to spend $10,'' Thomas J. O'Brien, then-director of
the Defense Investigative Service, said in testimony before the panel
last spring. ''All of our losses have come from people.''
     The intelligence panel voted unanimously to release the report,
overriding objections from the Central Intelligence Agency.
     The Pentagon came in for particular criticism in the committee's
review, which noted that at least 54 Defense Department personnel have
been identified and punished over the past five years for espionage or
security breaches. Despite the problems, the department does not appear
to be vigorously looking for new solutions, the report said.
     While the Pentagon claims to have reduced its security-cleared
personnel from 4.2 million to 2.8 million over the past three years,
the figures cannot be verified, the panel said.
     And with that many cleared personnel in addition to 1.1 million
clearances for defense contractors, the secretary of defense has only
six professional staff members overseeing department security programs.
''This is a penny-wise and pound-foolish approach, considering these
personnel have access to the nation's most sensitive data,'' the report
found.
     As an example of failures in security screening of personnel, the
report cites the case of Glen Michael Souther, a former Navy
intelligence specialist.
     While in the Navy years ago in Norfolk, Va., Souther's wife voiced
suspicions to a Naval officer that her husband might be involved in .

fice of Current Production and Analytic Support
ᴸ Operations Center

vs Bulletin

espionage. He left the Navy, went to Old Dominion University for
Russian studies, then re-joined the Navy as a reservist and was granted
a top security clearance.

A background investigation did not catch the warning signs, and
Souther defected this year to the Soviet Union, taking with him
classified technical data on weapons systems.

The panel also sought answers from the CIA about the sources of
disclosures in Woodward's book, published last year. The book contains
numerous references to intelligence details that were not widely known,
and one agency official testified: ''I don't think there is a question.
... I think it came from within the agency.''

Among the Intelligence Committee's recommendations:

Security reviews should include credit checks to turn up potential
financial problems that make employees vulnerable to offers to buy
secrets. They also should include interviews with family members and
relatives.

Less reliance should be placed on pre-employment background
checks, and more effort should be devoted to periodic reviews of
personnel once they are on the job, including interviews with
co-workers.

The government should be more sensitive to those who are fired
from security-cleared jobs or leave with grudges against their
employer. Little is now done to ease such departures and follow up on
employees after they leave, ignoring a group that is most likely to be
a problem.

AP-NY-10-19-88 1909EDT+